

.....
(Original Signature of Member)

113TH CONGRESS
2D SESSION

H. R. _____

To amend the Higher Education Act of 1965 to establish requirements
for preferred banking arrangements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GEORGE MILLER of California (for himself and [see ATTACHED LIST of
cosponsors]) introduced the following bill; which was referred to the Com-
mittee on _____

A BILL

To amend the Higher Education Act of 1965 to establish
requirements for preferred banking arrangements, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Curbing Abusive Mar-
5 keting Practices with University Student Debit Cards
6 Act” or the “CAMPUS Debit Cards Act”.

1 **SEC. 2. PREFERRED BANKING ARRANGEMENTS.**

2 Section 487 of the Higher Education Act of 1965 (20
3 U.S.C. 1094) is amended—

4 (1) in subsection (a), by adding at the end the
5 following new paragraph:

6 “(30) In the case of an institution that has en-
7 tered into a preferred banking arrangement, the in-
8 stitution will meet the requirements of subsection
9 (k).”;

10 (2) in subsection (i), by adding at the end the
11 following new paragraph:

12 “(7) PREFERRED BANKING ARRANGEMENT.—

13 “(A) IN GENERAL.—The term ‘preferred
14 banking arrangement’ means an arrangement
15 or agreement between a financial institution
16 and an institution of higher education under
17 which the institution of higher education di-
18 rectly or indirectly recommends, promotes, or
19 endorses to its students, or requires the delivery
20 of funds awarded under this Act to its students
21 through, the deposit accounts or the general-use
22 prepaid cards of the financial institution or the
23 financial institution in general.

24 “(B) FINANCIAL TERMS.—For purposes of
25 this paragraph—

1 “(i) the terms ‘bank’ and ‘savings as-
2 sociation’ have the definition given those
3 terms, respectively, under section 3 of the
4 Federal Deposit Insurance Act (12 U.S.C.
5 1813);

6 “(ii) the term ‘credit union’ means a
7 Federal credit union and a State credit
8 union as those terms are defined, respec-
9 tively, under section 101 of the Federal
10 Credit Union Act (12 U.S.C. 1752);

11 “(iii) the term ‘financial institution’
12 means a bank, savings association, credit
13 union, or a person who has entered into an
14 agreement with a bank, savings associa-
15 tion, or credit union; and

16 “(iv) the term ‘general-use prepaid
17 card’—

18 “(I) means a card or other pay-
19 ment code or device issued by any
20 person that is—

21 “(aa) redeemable at multiple
22 merchants or service providers,
23 or automated teller machines;

24 “(bb) purchased or loaded
25 on a prepaid basis; and

1 “(cc) honored, upon presen-
2 tation, by merchants for goods or
3 services, or at automated teller
4 machines; and

5 “(II) does not include an elec-
6 tronic promise, plastic card, or pay-
7 ment code or device that is—

8 “(aa) used solely for tele-
9 phone services;

10 “(bb) a loyalty, award, or
11 promotional gift card, as defined
12 by the Secretary;

13 “(cc) issued in paper form
14 only (including for tickets and
15 events); or

16 “(dd) redeemable solely for
17 admission to events or venues at
18 a particular location or group of
19 affiliated locations, which may
20 also include services or goods ob-
21 tainable at the event or venue
22 after admission or in conjunction
23 with admission to such events or
24 venues, at specific locations affili-
25 ated with and in geographic prox-

1 imity to the event or venue.”;

2 and

3 (3) by adding at the end the following new sub-
4 section:

5 “(k) REQUIREMENTS FOR PREFERRED BANKING AR-
6 RANGEMENT.—

7 “(1) IN GENERAL.—An institution of higher
8 education that enters into a preferred banking ar-
9 rangement with a financial institution shall—

10 “(A) develop a code of conduct with re-
11 spect to the preferred banking arrangement
12 with which the officers, employees, and agents
13 of the institution of higher education shall com-
14 ply, that—

15 “(i) prohibits a conflict of interest
16 with the responsibilities of an officer, em-
17 ployee, or agent of the institution of higher
18 education with respect to such arrange-
19 ment;

20 “(ii) requires each such officer, em-
21 ployee, and agent to act in the best inter-
22 ests of the students enrolled at the institu-
23 tion of higher education in carrying out
24 such arrangement; and

1 “(iii) at a minimum, includes the pro-
2 visions described in paragraph (2);

3 “(B) publish such code of conduct promi-
4 nently on the website of the institution of high-
5 er education;

6 “(C) administer such code by, at a min-
7 imum, requiring that all of the officers, employ-
8 ees, and agents of the institution of higher edu-
9 cation with responsibilities with respect to the
10 preferred banking arrangement be annually in-
11 formed of the provisions of the code of conduct;
12 and

13 “(D) provide effective enforcement of such
14 code.

15 “(2) CODE OF CONDUCT REQUIREMENTS.—The
16 code of conduct requirements described in this para-
17 graph are as follows:

18 “(A) BAN ON REVENUE-SHARING AR-
19 RANGEMENTS.—

20 “(i) PROHIBITION.—The institution of
21 higher education shall not enter into any
22 revenue-sharing arrangement with any fi-
23 nancial institution.

1 “(ii) DEFINITION.—For purposes of
2 this subparagraph, the term ‘revenue-shar-
3 ing arrangement’—

4 “(I) means an arrangement be-
5 tween an institution of higher edu-
6 cation and a financial institution
7 under which—

8 “(aa) a financial institution
9 provides deposit accounts or gen-
10 eral-use prepaid cards to stu-
11 dents attending the institution of
12 higher education or to the fami-
13 lies of such students; and

14 “(bb) the institution of high-
15 er education recommends, pro-
16 motes, utilizes, sponsors, or oth-
17 erwise endorses the financial in-
18 stitution or the deposit accounts
19 or general-use prepaid cards of
20 the financial institution and in
21 exchange, the financial institu-
22 tion pays a fee or provides other
23 material benefits, including rev-
24 enue or profit sharing, to the in-
25 stitution of higher education, or

1 an officer, employee, or agent of
2 the institution of higher edu-
3 cation; and

4 “(II) does not include an ar-
5 rangement under which a financial in-
6 stitution pays a fair market price to
7 an institution of higher education for
8 the advertising or marketing of the fi-
9 nancial institution to the general pub-
10 lic by the institution of higher edu-
11 cation.

12 “(B) GIFT BAN.—

13 “(i) PROHIBITION.—No officer, em-
14 ployee, or agent of an institution of higher
15 education who has responsibilities with re-
16 spect to a preferred banking arrangement
17 or has other responsibilities with respect to
18 a financial institution shall solicit or accept
19 any gift from the financial institution.

20 “(ii) DEFINITION.—In this subpara-
21 graph, the term ‘gift’ means any gratuity,
22 favor, discount, entertainment, hospitality,
23 loan, or other item having a monetary
24 value of more than a de minimus amount.

25 The term includes a gift of services, trans-

1 portation, lodging, or meals, whether pro-
2 vided in kind, by purchase of a ticket, pay-
3 ment in advance, or reimbursement after
4 the expense has been incurred.

5 “(iii) EXCEPTIONS.—The term ‘gift’
6 shall not include any of the following:

7 “(I) Standard material, activities,
8 or programs on issues related to a
9 loan, default aversion, default preven-
10 tion, or financial literacy, such as a
11 brochure, a workshop, or training, but
12 only if such materials, activities, or
13 programs do not promote a product or
14 service of a financial institution.

15 “(II) Favorable terms, condi-
16 tions, and benefits on the financial
17 products of the financial institution
18 made available to all employees of the
19 institution of higher education if such
20 terms, conditions, or benefits are com-
21 parable to those provided to all stu-
22 dents of the institution of higher edu-
23 cation.

24 “(III) Entrance and exit coun-
25 seling services provided to borrowers

1 to meet the responsibilities of the in-
2 stitution of higher education for en-
3 trance and exit counseling as required
4 by subsections (b) and (l) of section
5 485, as long as—

6 “(aa) the staff of the insti-
7 tution of higher education are in
8 control of the counseling, (wheth-
9 er in person or via electronic ca-
10 pabilities); and

11 “(bb) such counseling does
12 not promote the products or serv-
13 ices of any specific lender.

14 “(IV) Philanthropic contributions
15 to an institution of higher education
16 from a financial institution that are
17 unrelated to the deposit accounts or
18 the general-use prepaid cards of the
19 financial institution or the financial
20 institution in general or any contribu-
21 tion from the financial institution that
22 is not made in exchange for any ad-
23 vantage related to the financial insti-
24 tution.

1 “(V) State education grants,
2 scholarships, or financial aid funds
3 administered by or on behalf of a
4 State.

5 “(iv) RULE FOR GIFTS TO FAMILY
6 MEMBERS.—For purposes of this subpara-
7 graph, a gift to a family member of an of-
8 ficer, employee, or agent of an institution
9 of higher education, or to any other indi-
10 vidual based on that individual’s relation-
11 ship with the officer, employee, or agent,
12 shall be considered a gift to the officer,
13 employee, or agent if—

14 “(I) the gift is given with the
15 knowledge and acquiescence of the of-
16 ficer, employee, or agent; and

17 “(II) the officer, employee, or
18 agent has reason to believe the gift
19 was given because of the official posi-
20 tion of the officer, employee, or agent.

21 “(C) BAN ON STAFFING ASSISTANCE.—

22 “(i) PROHIBITION.—The institution of
23 higher education shall not request or ac-
24 cept from any financial institution any as-

1 assistance with any office or department of
2 the institution of higher education.

3 “(ii) CERTAIN ASSISTANCE PER-
4 MITTED.—Nothing in this paragraph shall
5 be construed to prohibit the institution of
6 higher education from requesting or ac-
7 cepting assistance from a financial institu-
8 tion related to—

9 “(I) professional development
10 training for financial aid administra-
11 tors;

12 “(II) providing educational coun-
13 seling materials, financial literacy ma-
14 terials, or debt management materials
15 to borrowers, provided that such ma-
16 terials disclose to borrowers the iden-
17 tification of any financial institution
18 that assisted in preparing or providing
19 such materials; or

20 “(III) staffing services on a
21 short-term, nonrecurring basis to as-
22 sist the institution of higher education
23 with financial aid-related functions
24 during emergencies, including State-
25 declared or federally declared natural

1 disasters, federally declared national
2 disasters, and other localized disasters
3 and emergencies identified by the Sec-
4 retary.

5 “(D) CONTRACTING ARRANGEMENTS PRO-
6 HIBITED.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), an officer, employee, or
9 agent of an institution of higher education
10 who has responsibilities with respect to a
11 preferred banking arrangement or has
12 other responsibilities with respect to a fi-
13 nancial institution shall not accept from
14 any financial institution any fee, payment,
15 or other financial benefit (including the op-
16 portunity to purchase stock) as compensa-
17 tion for any type of consulting arrange-
18 ment or other contract to provide services
19 to or on behalf of the financial institution.

20 “(ii) EXCEPTION.—Clause (i) shall
21 not prohibit an institution of higher edu-
22 cation from permitting an officer, em-
23 ployee, agent, or contractor of a financial
24 institution to serve on a board of directors,
25 or as a trustee, of the institution of higher

1 education, if the institution of higher edu-
2 cation has a written conflict of interest pol-
3 icy that requires such a board member or
4 trustee to recuse themselves from any deci-
5 sion regarding deposit or prepaid accounts
6 or a preferred banking arrangement at the
7 institution of higher education.

8 “(E) INTERACTION WITH STUDENTS.—The
9 institution of higher education shall not deny or
10 cause unnecessary delay in the disbursement of
11 a loan or grant under this title based on a stu-
12 dent’s selection of a particular financial institu-
13 tion.

14 “(F) ADVISORY BOARD COMPENSATION.—
15 An employee, officer, or agent of an institution
16 of higher education who has responsibilities
17 with respect to a preferred banking arrange-
18 ment or has other responsibilities with respect
19 to a financial institution, and who serves on an
20 advisory board, commission, or group estab-
21 lished by a financial institution, shall be prohib-
22 ited from receiving anything of value from the
23 financial institution, except that the employee
24 may be reimbursed for reasonable expenses in-

1 curred in serving on such advisory board, com-
2 mission, or group.”.

3 **SEC. 3. DISBURSEMENT OF CREDIT BALANCE.**

4 Part G of title IV of the Higher Education Act of
5 1965 (20 U.S.C. 1088 et seq.) is amended by adding at
6 the end the following:

7 **“SEC. 493E. DISBURSEMENT OF CREDIT BALANCE.**

8 “(a) ESTABLISHMENT OF SYSTEM FOR DISBURSE-
9 MENT.—Not later than 3 years after the date of enact-
10 ment of the CAMPUS Debit Cards Act, each institution
11 of higher education that enrolls a student who receives a
12 grant or loan under this title shall establish a system for
13 the disbursement of credit balances in accordance with
14 subsection (b).

15 “(b) ELECTRONIC PAYMENT SYSTEM.—Each institu-
16 tion of higher education described in subsection (a) shall
17 establish a system for disbursement of credit balances
18 through electronic payments to a deposit account or a gen-
19 eral-use prepaid card (defined in section 487(i)(7)) with
20 the protections afforded under the Electronic Fund Trans-
21 fer Act (15 U.S.C. 1693 et seq.).

22 “(c) DISTRIBUTION OPTIONS.—The Secretary of
23 Education, in consultation with the Secretary of the
24 Treasury and the Bureau of Consumer Financial Protec-
25 tion, shall conduct a pilot program on providing students

1 with the option of receiving credit balances by using the
2 Treasury Direct Express system established under section
3 3336 of title 31, United States Code, or through any other
4 low-cost alternative as determined by the Secretary.

5 “(d) CREDIT BALANCE.—In this section, the term
6 ‘credit balance’ means the amount of program funds under
7 this title credited to a student’s ledger account at an insti-
8 tution of higher education that exceed the amount as-
9 sessed the student by the institution for allowable institu-
10 tional charges, as defined by the Secretary.”.

11 **SEC. 4. PREVENTING UNFAIR AND DECEPTIVE MARKETING**
12 **OF FINANCIAL PRODUCTS TO STUDENTS OF**
13 **INSTITUTIONS OF HIGHER EDUCATION.**

14 (a) IN GENERAL.—The Consumer Financial Protec-
15 tion Act of 2010 is amended by inserting after section
16 1031 the following:

17 **“SEC. 1031A. PREVENTING UNFAIR AND DECEPTIVE MAR-**
18 **KETING OF FINANCIAL PRODUCTS TO STU-**
19 **DENTS OF INSTITUTIONS OF HIGHER EDU-**
20 **CATION.**

21 “(a) DEFINITIONS.—In this section:

22 “(1) FINANCIAL INSTITUTION.—The term ‘fi-
23 nancial institution’ means any institution that offers,
24 provides, or issues financial products, including
25 banks, savings associations, and credit unions.

1 “(2) INSTITUTION OF HIGHER EDUCATION.—

2 The term ‘institution of higher education’ has the
3 meaning given that term in section 102 of the High-
4 er Education Act of 1965 (20 U.S.C. 1002).

5 “(b) DISCLOSURE REQUIRED.—

6 “(1) DISCLOSURE BY INSTITUTIONS OF HIGHER
7 EDUCATION.—An institution of higher education, or
8 an alumni organization or foundation affiliated with
9 or related to an institution of higher education, shall
10 publicly disclose (including on the website of such in-
11 stitution, organization, or foundation) any contract
12 or other agreement made with a financial institution
13 for the purpose of marketing a financial product—

14 “(A) in the case of a contract or agree-
15 ment entered into before the date of enactment
16 of this section, by not later than 90 days after
17 such date of enactment; and

18 “(B) in the case of a contract or agree-
19 ment entered into on or after such date of en-
20 actment, by not later than 90 days after the in-
21 stitution, organization, or foundation enters
22 into the contract or agreement.

23 “(2) REPORTS BY FINANCIAL INSTITUTIONS.—

24 “(A) IN GENERAL.—Each financial institu-
25 tion shall submit an annual report to the Bu-

1 reau containing the terms and conditions of all
2 contracts or other agreements made with an in-
3 stitution of higher education, or an alumni or-
4 ganization or foundation affiliated with or re-
5 lated to an institution of higher education, re-
6 lating to any financial product offered to stu-
7 dents at such institution of higher education.

8 “(B) DETAILS OF REPORT.—The report
9 under subparagraph (A) shall include—

10 “(i) any memorandum of under-
11 standing between or among the financial
12 institution and an institution of higher
13 education, alumni organization, or founda-
14 tion that directly or indirectly relates to
15 any aspect of any agreement referred to in
16 subparagraph (A) or controls or directs
17 any obligations or distribution of benefits
18 between or among any such entities;

19 “(ii) the amount of any payments
20 from the financial institution to the insti-
21 tution of higher education, alumni organi-
22 zation, or foundation during the period
23 covered by the report, and the precise
24 terms of any agreement under which such
25 amounts are determined; and

1 “(iii) the number of financial products
2 covered by any such agreement that were
3 originated during the period covered by the
4 report, and the total number of financial
5 products covered by the agreement that
6 were outstanding at the end of such pe-
7 riod.

8 “(C) AGGREGATION OF INFORMATION.—
9 The information required to be reported under
10 subparagraph (A) shall be aggregated with re-
11 spect to each institution of higher education or
12 alumni organization or foundation affiliated
13 with or related to such institution of higher
14 education.

15 “(D) INITIAL REPORT.—The initial report
16 required under subparagraph (A) shall be sub-
17 mitted to the Bureau not later than 1 year
18 after the date of enactment of this section.

19 “(3) REPORTS BY BUREAU.—The Bureau shall
20 submit to Congress, and make available to the pub-
21 lic, an annual report that lists the information con-
22 cerning the agreements submitted to the Bureau
23 under paragraph (2) by each financial institution,
24 institution of higher education, alumni organization,
25 or foundation.

1 “(4) RECORD REPOSITORY.—The Bureau shall
2 establish and maintain on its publicly available
3 website a central repository of all contracts and
4 other agreements contained in reports received from
5 financial institutions pursuant to this paragraph,
6 and such contracts and agreements shall be in a
7 form that is easily accessible and retrievable by the
8 public.

9 “(c) INDUCEMENTS PROHIBITED.—No financial in-
10 stitution may offer to a student at an institution of higher
11 education any tangible or intangible item to induce the
12 student to apply, purchase, or obtain a financial product
13 offered by the financial institution, if the offer is made—

14 “(1) on the campus of an institution of higher
15 education;

16 “(2) near the campus of an institution of higher
17 education, as determined by rule of the Bureau; or

18 “(3) at an event sponsored by or related to an
19 institution of higher education.”.

20 (b) RULEMAKING REQUIRED.—Not later than the
21 end of the 2-year period beginning on the date of the en-
22 actment of this Act, the Bureau of Consumer Financial
23 Protection shall issue regulations identifying as unlawful
24 unfair, deceptive, or abusive acts or practices in connec-
25 tion with any transaction with a consumer for a consumer

1 financial product or service, or the offering of a consumer
2 financial product or service, as described under section
3 1031 of the Consumer Financial Protection Act of 2010
4 (12 U.S.C. 5531).

5 (c) TECHNICAL AND CONFORMING AMENDMENT.—
6 The table of contents of the Dodd-Frank Wall Street Re-
7 form and Consumer Protection Act is amended by adding
8 after the item relating to section 1031 the following:

“1031A. Preventing unfair and deceptive marketing of financial products to stu-
dents of institutions of higher education.”.

9 **SEC. 5. STUDY OF FINANCIAL PRODUCT MARKETING.**

10 (a) STUDY.—The Bureau of Consumer Financial
11 Protection shall carry out a study on the marketing of fi-
12 nancial products to students enrolled in institutions of
13 higher education. Such study shall include an analysis
14 of—

15 (1) the extent to which financial institutions use
16 an institution of higher education’s name, emblem,
17 mascot, logo, or other words, pictures, or symbols
18 readily identified with such institution of higher edu-
19 cation in the marketing of financial products, includ-
20 ing deposit accounts, general purpose reloadable pre-
21 paid cards, and payment services;

22 (2) the extent to which institutions of higher
23 education provide access to campus facilities and
24 sponsored functions to financial institutions, includ-

1 ing orientation activities for new and prospective
2 students; and

3 (3) the extent to which agreements between fi-
4 nancial institutions and institutions of higher edu-
5 cation are accessible for inspection by students and
6 their families.

7 (b) REPORT.—Not later than the end of the 1-year
8 period beginning on the date of the enactment of this Act,
9 the Bureau shall issue a report to the Committees on Edu-
10 cation and the Workforce and Financial Services of the
11 House of Representatives and the Committees on Health,
12 Education, Labor, and Pensions and Banking, Housing,
13 and Urban Affairs of the Senate containing—

14 (1) all finding and determinations made in car-
15 rying out the study required under subsection (a);
16 and

17 (2) any legislative recommendations the Bureau
18 may have.

19 (c) RULEMAKING.—If, after conducting the study re-
20 quired under subsection (a), the Bureau determines that
21 financial products are not marketed to students enrolled
22 in institutions of higher education in a fair manner, the
23 Bureau shall issue regulations to ensure such products are
24 marketed in a fair manner.

1 **SEC. 6. SENSE OF CONGRESS.**

2 It is the sense of the Congress that financial products
3 marketed to students enrolled in institutions of higher
4 education should be presented in a fair and neutral man-
5 ner.

6 **SEC. 7. DEFINITIONS.**

7 For purposes of this Act, the terms “financial institu-
8 tion” and “institution of higher education” have the
9 meanings given the terms in section 1031A of the Con-
10 sumer Financial Protection Act of 2010, as added by sec-
11 tion 3 of this Act.